



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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be no file

March 23, 1999

O. Jay Gatten
Pearl Queen Perlite Corporation
472 North Main Street
Kaysville, Utah 84037-6453

Re: Cancellation of Reclamation Surety, Pearl Queen Perlite Corp., Pearl Queen Perlite Mine,
M/001/027, Beaver County, Utah

Dear Mr. Gatten:

On March 23, 1999 we received notification from KeyBank that they would renew the Standby Letter of Credit (#~~123456789~~) posted as reclamation surety for Pearl Queen Perlite Corporation's, Perlite Queen Perlite Mine, located in Beaver County, Utah.

The Utah Mined Land Reclamation Act prohibits a large mining operation from continuing active operations, if adequate surety is not kept on file with the Division until the mine site is successfully reclaimed allowing bond release. We were informed that the Letter of Credit (LOC) will be canceled on June 30, 1999. You are hereby advised that we must receive a replacement form of surety prior to May 30, 1999, or we will be forced to start forfeiture proceedings to collect the existing LOC.

Please contact me at (801) 538-5286, or Joelle Burns at 538-5291 to discuss this situation further and to inform us of your intentions. Thank you for your consideration and prompt attention to this important permitting requirement.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

cc: Mary Ann Wright, DOGM
Dan Moquin, AAG's Office
Will Stokes, SITLA (ML 3092)
Carla L. C. Alsid, Key Bank

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